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THE AGRICULTURAL SITUATION

A Brief Summary of Economic Conditions

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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CATTLE PRODUCTION UP—POTATOES SHORT CROP

The picture of production and prices is, as usual, a varied one as the major crops enter the winter marketing season. The uncertainty also as to the probable trend of the general commodity price level adds an unknown factor in the fluctuations of the various individual products.

The potato crop is seemingly in a strong position. The crop is very short, estimated as amounting to scarcely 2½ bushels for each person. This is the smallest production per capita in 43 years. Anything below 3 bushels per capita is considered a light crop even in times when consuming demand is reduced. Most potato crops have been well above 3 bushels per capita, and some have provided more than 4 bushels for each person. There is ample reason for the advance in potato prices.

The world wheat market continues to be depressed by accumulated stocks of wheat, a high level of production, and severe restrictions on the importation and use of wheat by European countries. During October the price of wheat at Liverpool, when measured in terms of gold, fell to the lowest level that has been reached in modern history. Prices in the United States thus far this season have been higher than last year, not because of extensive improvement in the present world wheat situation—except as such improvement may be among the possibilities of the world wheat agreement—but mainly because of the short crop here, prospective acreage reduction, and the depreciation of the dollar in foreign exchange.

With respect to cotton, the indications are that the 1933 domestic crop will be considerably below the world consumption of 1933–34, but that the world carry-over of American cotton at the end of this season, although further reduced, will still be large.

Cattle production seems to be continuing the upward movement toward a peak of its cycle, and both the beef and dairy industries continue to feel the weight of heavy supplies. Current hog production also is large in relation to the curtailed market outlet. On the other hand, the trend of sheep production has been downward for a couple of years; lambs and wool have been moving gradually into a more advantageous price position.

The general trend of prices of farm products showed little change last month as compared with September. The index of average prices received by farmers for their products as of October 15 continued at 70 (pre-war taken as 100). Prices paid by farmers for commodities bought still stood at an index of 116. Thus the October-

15 index of exchange value of farm products in terms of commodities bought stood at 60, as did the September index. Weekly indexes for the last half of October show a slight increase in the index of prices received by farmers.

POTATO POSITION STRONG

The strength of the potato situation rests on the very short crop, now estimated as scarcely $2\frac{1}{2}$ bushels for each person. Anything below 3 bushels per capita is considered light production even in times when consuming demand is reduced. Most crops have been well above 3 bushels per capita, and some have provided more than 4 bushels to each consumer, but this year's crop compares only with years of scarcity.

Back in 1916, the season of the spring "potato famine", production per capita was 2.8 bushels. Prices reached \$4 per 100 pounds at Chicago the following spring. In 1919, production was again down to about 3 bushels per capita. The price in September, 1919, at Chicago was \$2.85 per 100 pounds, and it rose to about \$5.50 the following March. In 1925, there was again light production around 2.8 bushels per capita, and the Chicago price advanced from \$2 in September to \$4 in March. These previous years of short crops were all in comparatively good times, and 1919 was a year of high prices in a general way. Probably for that reason the prices in the fall of these years were higher than they were this year.

Recent carlot sales at Chicago averaged about \$1.20 per 100 pounds compared with somewhat higher prices these other years, but the point is that the autumn price doubled before spring of these preceding short crop seasons. If recent price figures were doubled, it would mean about \$2.50 per 100 pounds at Chicago in March, and possibly higher levels in eastern city markets.

There are always doubtful features regarding the potato prospect. Possibly the November and December reports will show increases over October figures. Canada has plenty of potatoes, but the tariff usually keeps them out at any ordinary price level except for fancy stock. Sweetpotatoes are in good supply, but only about one car is shipped to 15 or 20 cars of white potatoes. Onions, cabbage, and other storage vegetables are not large enough crops this season to weaken the potato position. The early southern potato acreage, even if increased nearly 20 percent according to plans of growers, would still not be extremely large and the yields are subject to highly variable conditions. The far western crop has turned out very well and is likely to expand its market territory farther east than usual.

Storage buyers are showing interest in the potato crop this year. Reports from Idaho, the Upper Lakes Region, and Maine indicate that many growers are disposed to hold their potatoes. As usual there are some who sell promptly because they need the money and the prices look good compared with those of some recent seasons. Others follow the safe plan of selling gradually throughout the season, thus assuring an average return. There is always a difference of opinion and that is what keeps a fairly steady supply of potatoes always on the market at some price.

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THE PROSPECT IN CERTAIN MAJOR LINES OF PRODUCTION

WHEAT

The world wheat market continues to be depressed by accumulated stocks of wheat, a high level of production, and severe restrictions on the importation and use of wheat by European countries. During October the price of wheat at Liverpool, when measured in terms of gold, fell to the lowest level which has been reached in modern history.

Prices in the United States thus far this season have been higher than last year, not because of improvement in the world wheat situation but because of factors peculiar to the United States. United States prices are measured in terms of a dollar, which has been depreciating since April and is now depreciated by about 30 percent. Furthermore, our prices have been high this year in relation to those of world markets even when both foreign and domestic prices are measured in terms of our depreciated currency. From mid-March through June this appears to have been due partly to speculation as to further depreciation of the dollar, but at the present time the relatively high price in the United States is due primarily to the very short crop harvested this year. Prospective reductions in wheat acreage and the steps taken to finance exports from the Pacific coast have also aided in maintaining United States prices at relatively high levels.

Just as governmental action during the last 6 months has been a prime factor in raising wheat prices in the United States above their levels of last year, governmental action will be a prime factor in determining the level of wheat prices in the United States during the coming year.

The acreage of wheat sown in the world, excluding Russia and China, has thus far been reduced but little from the peak level which was reached in 1928-29, in spite of 4 years of low prices. The reduction has been confined to the exporting countries and has been greatest in the United States where the area sown has declined from 71,000,000 acres in 1928 to 63,900,000 in 1933. The combined acreage for Canada, Argentina, and Australia (sown acreage for Argentina and harvested for Canada and Australia), on the other hand, was at a high point in 1930-31, with an area of 64,400,000 acres while in 1933 it had declined only to 59,400,000 acres. In the four exporting countries of the lower Danube Basin there has been a decline from the peak of the harvested acreage of 20,900,000 reached in 1931 to 18,900,000 acres in 1933.

In the importing countries of Europe there has been a marked upward trend in acreage since 1929, when the wheat price-supporting measures of the various importing countries began to be more drastic. In 1929 the wheat area of these importing countries of Europe amounted to 51,700,000 acres, while in 1933 it reached a new high level of 57,300,000 acres. For the world, excluding Russia and China, total acreage (sown acreage for the United States and Argentina, harvested for other countries), which reached a peak of 263,600,000 acres in 1928-29, declined to 260,300,000 acres in 1931-32. In 1932-33 it rose to 263,400,000 acres and for the current season is now estimated at 262,300,000 acres.

The carry-over of wheat into the current season apparently sets a new record for the world (excluding Russia and China). The

increase in world stocks was principally accounted for in the record holdings in North America, the large supplies still available in the Southern Hemisphere and in a considerable increase in stocks in the deficit areas of Europe where the abundant harvests of 1932 led to the concentration of heavy supplies of native wheat, particularly in Germany, France, and Spain. These increases were more than sufficient to offset moderate decreases in holdings in other exporting areas and in some of the minor importing areas. The carry-over in the principal exporting countries, together with quantities afloat and port stocks in the United Kingdom as of July 1 this year was the highest on record, amounting to 782,000,000 bushels compared with the previous high of 698,000,000 reached a year earlier and what may be considered a normal level of such stocks of about 300,000,000 bushels.

Prospects are that the United States will again have a surplus of wheat for export in the 1934-35 crop year. As a result of this season's short crop and governmental aid in disposing of excessive surpluses from the Pacific Coast region, our carry-over will presumably have been reduced from a level of 386,000,000 bushels as of July 1, 1933, to about 240,000,000 bushels as of July 1, 1934. Such an amount would be more than 100,000,000 bushels in excess of a normal minimum carry-over. Furthermore, if abandonment and yields should be average, the new crop may be expected to exceed domestic utilization even if there is an acreage reduction of 15 percent.

There is, of course, the possibility that a short crop again next year will prevent an export surplus or that the pressure of the surplus will be relieved by circumstances which indicate the likelihood of advances in world wheat prices or of a further reduction in the United States wheat acreage sufficient to place us on a domestic basis.

COTTON

LARGE STOCKS IN EXISTENCE

The indications are that the 1933 domestic cotton crop will be considerably below the world consumption of 1933-34, but that the world carry-over of American cotton at the end of this season, although further reduced, will still be very large. The indicated supply of American cotton for 1933-34 is around 24,500,000 bales. That would be about 1,500,000 bales less than the record supplies of the two previous seasons, but still almost 6,000,000 bales larger than the 10-year average.

The present indications are that despite a smaller supply of American cotton, the total supply of all cotton will be slightly larger than in the two previous seasons. The increase in the supply of foreign cotton is accounted for both by an increase in production and a larger carry-over.

LESS COTTON NEXT YEAR?

There were about 40,800,000 acres planted to cotton in the United States last spring. The curtailment program of the Agricultural Adjustment Administration, however, probably removed about 10,400,000 acres, leaving an indicated area for harvest 16 percent less than that of 1932 and the smallest since 1921. The adjustment program calls for an area in 1934 of only 25,000,000 acres. On this

basis, if yields should prove equal to the average of the last 10 years, next season's crop would amount to around 9,500,000 bales; or to put it another way, on the basis of 25,000,000 acres, the yield would have to be 15 pounds per acre larger than any year on record for the 1934 crop to equal this year's crop of 12,900,000 bales (October estimate).

INCREASED CONSUMPTION

World consumption of all cotton in 1932-33 increased about 2,000,000 bales over that of the previous season and was the highest since 1929-30. The increase of 1,850,000 bales in consumption of American cotton was almost as great as the total increase for all growths, the increase of 800,000 bales in the consumption of sundries cotton being largely offset by a marked decline in Indian and a slight decline in Egyptian cotton. World consumption of American cotton in 1932-33 was reported to be 14,167,000 bales, which was the largest since 1928-29, and represented an increase of 15 percent over that in 1931-32. The 1932-33 consumption of Indian cotton of only 4,200,000 bales was the smallest for more than a decade.

PRICES

Last February cotton prices in domestic markets averaged less than 6 cents a pound, but with the improvement in business and expectation of inflation, cotton prices advanced to above 9 cents before the end of May. In June and July prices made a further substantial increase, until by mid-July they reached 11½ cents, the highest level recorded for almost 3 years. A large part of this advance, however, was lost by mid-August when prices were slightly below 8½ cents, but they have since rallied and in late October were around 9½ cents, which was more than 3 cents above a year earlier. Following the President's announcement of a gold-buying program, the price again advanced. At this writing, machinery is being set up to loan farmers Government funds on the basis of 10 cents a pound on cotton which they are holding.

A PRICE ADVANTAGE TO FOREIGN BUYERS

It may be noted that the price of cotton in terms of gold is substantially lower than in terms of currency. For the week ending October 14, prices averaged 6.08 cents in terms of gold, which was slightly lower than the price for the week ending April 15 (the last week before gold payments were suspended), and only slightly higher than during February. In other words, customers in foreign countries where currencies have not depreciated recently were able in October to buy American cotton at prices not appreciably higher to them than the low prices which prevailed in February, and even somewhat lower than they paid in October 1932. In countries in which depreciation has occurred but not to the extent of the dollar's depreciation, prices are proportionately advantageous. The relatively low price of American cotton in foreign countries, along with improvement in business conditions, largely accounts for the high rate of foreign consumption of American cotton during August and September of this year.

TOBACCO

Supplies of all kinds of tobacco produced in the United States are about as large or larger for 1933-34 than they were a year earlier. Even with the increased consumption indicated for recent months the supplies (production plus carry-over) of most types are still excessive. They are particularly burdensome for Burley and the cigar types, and are materially above normal for Maryland, fire-cured and the dark air-cured types. The estimated 1933 crop of flue-cured tobacco is about 20 percent larger than probable consumption, but with last year's reduction of domestic and foreign carry-over the present supply is not unduly large.

With the increase of pay rolls during the last several months tobacco consumption in the United States apparently has increased. From May to September 1933, the manufacture of tobacco products, as shown by reports of the Commissioner of Internal Revenue, increased over a year earlier for the first time in 2 years. In comparison with the corresponding period of 1932 small cigarettes increased 16 percent; large cigars, 5 percent; manufactured tobacco, 4 percent; and snuff, 8 percent. However, it appears that a part of this increased production has not been consumed, but has gone to increase inventories.

Foreign consumption of United States types of tobacco apparently is continuing to decline, largely as a result of trade restrictions and substitutions of foreign-grown tobacco. The decreased foreign carry-over of United States types and the more favorable exchange rates are expected to result in some increase of exports during the current year. However, for flue-cured tobacco, at least, the higher prices now prevailing in the United States may offset a part of this advantage.

The Agricultural Adjustment Administration has not yet announced its complete plans for tobacco. Before next planting time, however, it is probable that action will be taken upon all types to control the 1934 production. Processing taxes are now being collected on all kinds of domestic and imported tobacco, effective October 1, at rates varying from 1.7 to 4.2 cents per pound. It is anticipated that the bulk of the revenue from these taxes, probably around \$25,000,000, will be used for production control.

RICE

Sales in the domestic market of United States rice during the remainder of 1933-34 may be about the same as during the corresponding period of 1932-33, provided the Secretary does not change the prices fixed in the marketing agreements now in effect. Exports are expected to be considerably below average if these prices continue. The October 1 estimate indicated a United States crop of 1,002,000,000 pounds cleaned basis (36,081,000 bushels or 10,022,500 barrels) compared with 1,129,000,000 pounds (40,643,000 bushels or 11,290,000 barrels) in 1932.

The southern and California rice marketing agreements have brought the marketing of rice in the United States under the provisions of the Agricultural Adjustment Act and therefore under the review and direction of the Secretary of Agriculture and under the immediate direction of the two control committees. The essential features of these agreements follow:

1. The price of rice to producers is fixed by the Secretary. It may be changed at his direction.

2. All millers are obliged to conform to the fair-trading practices outlined in these agreements.

3. Surpluses are to be avoided but should stocks inadvertently begin to accumulate, machinery is available for their prompt disposal. A fund is accumulated to pay the costs involved.

4. Rough rice is to be graded prior to sale in California by an appraisal committee composed of representatives of both millers and producers; in the South, the grading of the farmer's rice is reviewed by the Federal-State grading office only in case of dispute.

5. The control of production is recognized as a prerequisite to the maintenance of prices. In California, producers have created an organization to keep production at approximately a 3,000,000-bag level. While participation in the plan is voluntary, the inducements offered to participate are thought to be sufficiently large to cause all growers to cooperate in the control program. A plan for crop control in the South is now being worked out.

FLAXSEED

Domestic supplies of flax for the 1933-34 season are much below prospective requirements as the result of a reduced acreage and record low yields. An acreage 50 percent larger than that seeded in 1933 (1,925,000 acres), assuming an average yield per acre, might be expected to produce about as much seed as could be disposed of without losing the benefits provided by the tariff of 65 cents a bushel.

The present United States crop is estimated at 7,371,000 bushels. This compares with 11,787,000 bushels last year and 20,011,000 bushels, the average of the period 1926-30. Production in Canada was only 756,000 bushels. The United States crop is the smallest since 1919, but the Canadian crop is the smallest on record. Not only did both the United States and Canada reduce the flax acreage last spring, but extremely dry weather and grasshoppers combined to cut the yield. The acreage was as large or larger than a year ago in Minnesota, Iowa, and Missouri, but was sharply reduced in other States.

On the demand side, it may be noted that domestic demand for flaxseed was low during the first half of the 1932-33 season, but improved somewhat in the latter half. The fall of the dollar, the upturn in commodity prices, and the short domestic crop strengthened the flaxseed situation, so that the price of no. 1 at Minneapolis, which had fluctuated between \$1.06 and \$1.13 a bushel from fall to spring, rose sharply to \$1.88 a bushel in the late summer of this year. The demand for oil and meal improved and prices of these products made greater gains than the price of flax.

If the present prices are maintained and if the weather at seeding time is favorable, it is probable that a substantial increase in acreage may be expected next spring. In some areas there is a shortage of locally grown seed, and this fact together with financial difficulties may tend to hold down the expansion in acreage within those areas. As noted above, if the 1934 production of flaxseed should equal or exceed the domestic requirements, the price advantage afforded by the tariff will be lost.

SHEEP**WORLD SHEEP PRODUCTION PAST THE PEAK**

The number of sheep in the world now appears to be on the downward trend after having reached the peak of the current cycle of production about the year 1931. It is expected, therefore, that world production of wool during the next few years will be on a somewhat lower level than for the 5 years 1928-32. It may be noted that in Australia and South Africa the number of sheep had been on the upward trend for 25 or 30 years until the recent setback, and it is probable that the increase will again be resumed in those two countries. In the United States, New Zealand, and Uruguay, the long-time trend in sheep numbers has been fairly steady, whereas in Argentina it has been downward. The total number of sheep in the world averaged 751,000,000 during the 5-year period 1926-30. This compared with an average of 644,000,000 during 1921-25 and 692,000,000 in 1909-13.

SMALLER PRODUCTION OF WOOL

World wool production in 1933 is expected to be considerably below the average of the preceding 5 years. Production in 12 countries, which ordinarily supply about two thirds of the world's clip (exclusive of Russia and China), is estimated at only 2,081,000,000 pounds, a reduction of 8 percent as compared with 1932. Although the shorn wool clip in the United States in 1933, estimated at 348,000,000 pounds, was about the same as the clip of 1932, it was considerably smaller than the record clip of 372,000,000 pounds shorn in 1931. The decrease in sheep numbers in 1933 was offset by a heavier weight of fleece.

FEWER LAMBS IN WESTERN STATES

The 1933 lamb crop in this country, estimated at 28,988,000 head, was 729,000 head or 2.5 percent smaller than the 1932 lamb crop, and was the smallest since 1929. Practically all the decrease was in the western sheep States. The decrease in lamb crop per 100 ewes was accompanied by a decrease of 592,000 head in the number of breeding ewes in western sheep States. The reduction in the lamb crop this year was caused by the unfavorable spring weather, with severe storms in April and May, and the shortage of feed during the lambing period in the late lambing States. Death losses were much above average, both in 1932 and 1933.

FEED SHORTAGE

While supplies of hay and feed grains in most of the western sheep States are larger than at the end of 1931, prospects for winter range feed, especially on the desert ranges, are little, if any, better than in 1931. Sheepmen in much of this area are facing another winter of short feed supplies and relatively high-priced feed. Such information as is in hand on feeding in the Western States indicates that for the whole area feeding will be in somewhat smaller volume than last year, with most of the decrease in Colorado and Texas.

BREEDING FLOCKS PROBABLY SMALLER

The trend of flock numbers in the western sheep States during the next few years will depend on the number of ewe lambs kept for flock replacements. Such replacements during the last 2 years have been relatively small and the number of ewes of older ages in western flocks is now relatively large. A further reduction in breeding ewes in the western sheep States seems probable in view of the present widespread poor range conditions, prospect of feed shortage this fall and winter, and possible difficulties of financing. In the "native" or farm-flock States where sheep and lambs are largely a minor enterprise, no material change in flock numbers or lamb production during the next few years appears likely.

HOGS

The market movement of new-crop hogs (1933 spring pigs) apparently has been somewhat slow in getting under way, pending the announcement of the Federal program for controlling hog supplies and production. Slaughter supplies during November and December, however, are expected to be not greatly different from those of a year earlier.

Hog prices rose sharply during the last half of September in response to a seasonal reduction in slaughter supplies and a stimulation in the demand for fresh pork as a result of cooler temperatures. The advance continued during early October, and in the second week of that month the top price of \$5.55 per 100 pounds paid at Chicago was the highest reached thus far in 1933 and was equal to the highest price paid at any time since September 1931. Storage holdings of pork and lard in September were reduced more than usual for the month but are still larger than the stocks of a year earlier, which were about average.

Although prices of heavy weight hogs have advanced more than those for the lighter weights the spread between prices of heavy hogs and medium weight hogs is still relatively wide. The average price of hogs at Chicago in September was \$4.24 per 100 pounds compared with \$3.97 in August and \$4 in September 1932. The average during the first week in October was \$4.68, compared with \$3.71 in the corresponding week last year.

Hog slaughter under Federal inspection during September, amounting to 3,038,000 head, exclusive of those slaughtered for Government account, was 12.6 percent smaller than in August, and 6.6 percent smaller than the record September slaughter of last year. This was the first time since March that slaughter fell below that of the corresponding month last year. Total slaughter for the marketing year which ended September 30, amounted to 47,103,000 head. This was 447,000 head more than that of a year earlier and was the largest for any crop year since 1928-29.

Under the Federal emergency hog supply reduction program, a total of 6,140,000 pigs weighing less than 100 pounds and 214,000 piggy sows weighing over 240 pounds were slaughtered for Government account during the period of August 23 to September 29. About 85 percent of the pigs slaughtered were classed as light weights and were converted into inedible products.

Although pork and lard were moved into consumptive channels at greater than average rates during September, storage holdings of lard

on October 1, the beginning of the new hog marketing year, were the largest on record for that date, and pork stocks were the second largest. A near record volume of pork and lard will have to be moved out of storage cellars during October if the holdings of these products are to be reduced to average proportions by November 1, the beginning of the new storage season. Pork stocks on October 1 totaling 629,000,000 pounds were 128,000,000 pounds smaller than those of a month earlier but they were 26 percent larger than those of a year earlier and 24 percent larger than the 5-year October 1 average. Lard stocks were reduced 32,000,000 pounds during September or about the same as the 5-year average reduction for that month, but the total of 193,000,000 pounds on October 1 was 173 percent larger than that of a year earlier, and 100 percent larger than the 5-year October 1 average. Total commercial storage holdings of hog products on October 1 were equivalent to about 5,100,000 hogs.

Shipments of both pork and lard from the principal ports during September were larger than those in September last year. Total pork exports for the first 11 months of the 1932-33 marketing year were 2 percent larger than those in the corresponding period a year earlier and exports of pork were 6 percent larger.

Normally, the short feed crop of this year and the relatively low hog-corn price ratio would tend to cause relatively heavy marketings of hogs during November and December and result in a greater-than-average seasonal reduction in hog prices this fall. The removal of 6,200,000 pigs from the supply that otherwise would have been marketed between January and April 1934 may cause many producers, however, to hold part of their hogs over into early 1934 in anticipation of benefiting from probable higher prices at that time. Hence, the seasonal price decline during the remainder of 1933 may be somewhat less than usual.

BEEF CATTLE

HEAVY MARKET SUPPLIES

The upswing in cattle and calf slaughter, which got under way in early 1933, is expected to continue for several years. Slaughter supplies in 1934, however, will probably include fewer of the better finished kinds and more of the lower grades. Cattle numbers have been increasing since 1928 and are expected to continue to increase through 1934.

Although low prices naturally tend to restrict marketings, the shortage of feeds in many areas and financial necessity are causing cattlemen to make relatively heavy shipments, with the result that cattle slaughter and supplies of beef for consumption are large at a time when consumer purchasing power is still at a low level. The increase in slaughter since April of this year, however, is only about what would be expected from the large supplies of cattle now on farms, but it is larger than would have occurred at the prices prevailing if the feed situation were more favorable.

FEEDING LOOKS BETTER THAN RAISING

The prospect for cattle feeders during the next 12 months is somewhat more promising than for cattle producers. Market prices of grass cattle of all kinds, both cattle for slaughter and stockers and feeders, are now at the lowest point reached since prices turned down-

ward in 1929, and for some kinds are near the lowest on record. Transportation and marketing costs are relatively the highest on record now, which makes the returns to producers even lower than market prices indicate.

Supplies of fed cattle during the next 12 months are expected to be smaller than they were during the preceding 12 months. This reduced supply will probably become evident in November and December and continue through next summer. However, if fat cattle prices should strengthen somewhat and prices of feed grains decline, or even remain at levels prevailing in late October, a rather strong demand for feeders during the late winter and spring may take place. Since such purchases would include a large number of cattle that otherwise would go for slaughter, they would tend to strengthen the prices of all cattle and especially those of the lower grades at the time of such purchases, but would weaken prices of fat cattle later in the year. With feeder cattle and corn at present price levels and smaller supplies of fed cattle, and with some further improvement in consumer purchasing power, the prospect for a favorable outcome for cattle feeding seems rather more promising than for some years.

As to the position of cattle raisers, it may be noted that the annual output of cattle and calves is equal to the largest yearly slaughter of such stock on record. In order to move this large supply of beef and veal into consumption, a substantial further increase in consumer buying power is necessary to avoid a reduction in prices of these meats. It may be questioned whether this improvement during the coming year will be sufficient to justify large expenditures for feed in order that cattle may be carried over. Apparently the final essential is a substantial reduction in the number of cows before the cattle industry will again be on a profitable production basis.

DAIRY PRODUCTS

COW NUMBERS NEAR A PEAK

Cattle production in this country has been in one of its periodic upswings ever since 1928. The total number of cattle has now reached so high a point that the rate of marketing has increased, and it is not unreasonable to expect that the turning point in numbers may be reached within a year or two. On June 1 of this year the number of milk cows on farms was about 2.3 percent above the number a year earlier, and about 14 percent above the number in June 1928.

Since last spring there has been a sharp increase in the number of cows marketed and in the slaughter of calves, both of which indicate a slowing up of the rate at which dairy herds are increasing. On the other hand, sales of butterfat are at present about the only source of income on many farms in areas which were hit by drought the past season; also, more cows, formerly kept only for beef production, are now being milked.

TWO BRAKES ON PRODUCTION

The total supply of feed grains is now about 9 percent below average. This, as well as a shortage of hay, will tend to check milk production during the feeding period. During this year prices of grain have increased more rapidly than prices of butterfat. A continuation of this price relationship will also tend to curtail production.

PRICES BELOW A YEAR AGO

Prices of dairy products have improved since last March. However, following the July peak a subsequent slump and recovery have left prices in recent weeks at about 3 cents below a year ago. Stocks of dairy products in cold storage are large, as is the volume of current production; but these facts have been somewhat offset by the last 2 months by various price supporting activities.

PRODUCTION OUTRUNNING CONSUMPTION

The production of manufactured dairy products during the first 8 months of 1933 was about 4 percent greater than during the corresponding period last year, but apparent consumption was about 3 percent less. As a result, cold storage stocks of butter and cheese reached record high levels in September. The expectation that the Agricultural Adjustment Administration would remove part of these large quantities from the markets, as recently announced, has caused prices of these products to hold fairly steady. Conditions abroad indicate no shortage of foreign supplies during the next winter season, but they also show slight prospect of any profitable foreign outlets.

Considering the whole situation, it may be doubted whether the income of farmers from dairy products can now be increased much faster than the rate at which the incomes of consumers increase. Prices of dairy products seem likely to continue relatively low in comparison with feed costs, at least until next summer.

THE CURRENT DAIRY MARKET SITUATION

Any consideration of current dairy markets must necessarily take into account the developments which already have taken place and which are likely to take place as a part of the Federal program of agricultural adjustment. There has naturally been a widespread interest in this since milk and its products were designated in the Agricultural Adjustment Act as basic commodities. At the moment, the attention of dairy interests centers particularly around the proposed Government purchasing of butter. Announcement has recently been made of the formation of the Dairy Marketing Corporation, which is an industry-sponsored organization set up as a clearing house to handle surplus dairy products in cooperation with the Secretary of Agriculture. Butter secured by the corporation will be purchased by the Secretary of Agriculture, and will in turn be distributed to needy unemployed through Federal relief agencies. Information is not yet available regarding the quantities to be purchased, nor the prices to be paid. The purchasing of this butter is to be done pursuant to a provision of the Agricultural Adjustment Act which states that the proceeds derived from processing taxes are made available for expansion of markets or removal of the surplus of agricultural products.

Reference to the foregoing is made because of the apparent support which a pending program has had upon butter markets during the past 2 months. There has been information, on the one hand, pointing to a statistical position which in itself is weak, for production has been and continues unusually heavy, consumption has fallen off, and huge

stocks have piled up in storage. Throughout a period when the largest stocks of these products on record were accumulating in cold-storage warehouses, butter and cheese prices have remained practically unchanged. This is partly attributed to price-supporting activities which have taken place.

Production of the principal manufactured dairy products in September, on a milk-equivalent basis, was approximately 9 percent heavier than in September of last year, and this, along with heavy increases during the preceding months since midsummer, makes the total production of these products during the first three quarters of 1933 about 4 percent greater than the corresponding period of 1932. All products except condensed milk share in this change. Butter production has been running especially heavy in many of the principal butter States with the exception of Wisconsin, where there has been a shift to cheese. The report for that State covering September shows a decrease of 8 percent in butter production, while cheese shows a similar percentage increase. The only other important butter States which show decreases are Illinois, Indiana, and Michigan. Minnesota and Iowa show increases of about 12 percent, but in the area comprising South Dakota, Nebraska, Kansas, and Missouri, the increases were much greater. Weekly reports in October suggest that the relationship with last year is still a heavy increase. This tendency may be attributed partly to the tendency of farmers to continue marketing all available butterfat, since this is a cash return. This month's crop report indicates a larger number of milk cows on farms than a year ago, including some beef-type cows being milked for the first time. This would tend to increase the total deliveries of milk and cream.

The movement of manufactured dairy products into apparent consumption during September was almost 6 percent less than in September 1932. In August the decrease was 10 percent under last year. All products were again lower in September, with the obvious result that reserve stocks of dairy products have continued to pile up.

Butter stocks in storage on October 1, amounting to 174,857,000 pounds, were only 600,000 pounds less than on September 1, compared with an average September reduction of close to 14½ million pounds. Last year when October 1 stocks of butter were only 89½ million pounds, only about half of this year's total on the same date, the September reduction in storage holdings was approximately 18 million pounds. This year's unfavorable situation reflects the fact that while production has been following an upward trend, consumption has gone in the opposite direction.

Stocks of American cheese increased between September 1 and October 1 by some 5 million pounds, compared with an average decrease of 2 million pounds. The October 1 surpluses over last year and the average of the past 5 years were 85 million pounds and 57 million pounds, respectively, in the case of butter, and 31 million pounds and 18 million pounds in the case of American cheese.

Evaporated milk stocks in manufacturers' hands on October 1 of 208 million pounds, represented a 17 percent increase during September, compared with an average 10 percent reduction. The real surplus stocks situation on October 1 is well indicated by milk equivalent comparisons of total stocks. The increase on September 1 over the same date last year was 40 percent. On October 1 the increase over a year earlier, had risen to 61 percent.

Wholesale prices of butter have continued approximately unchanged throughout the month. At New York, 92 score has been quoted at 24 cents since the middle of September except for 3 successive days around the first of this month when the price stood at 24½ cents. This price is approximately 3 cents higher than the September average in 1932. Cheese prices have been practically unchanged since the middle of August, and remain about one half cent per pound under a year ago. Evaporated milk wholesale selling prices are quite uniform within the range specified in the existing marketing agreement, and averaged about 40 cents per case above a year earlier for the month of September. Prices to producers of milk for city consumption show an average increase this month of 5 cents per cwt. over September and 10 cents over October last year, as the result of advances in some scattered markets.

L. M. DAVIS,
Division of Dairy and Poultry Products.

EGG AND POULTRY MARKET SITUATION

The egg markets in October for the most part followed the usual seasonal course. Prices on strictly fresh eggs advanced as production declined toward the low point just ahead. Many jobbers and distributors, unable to satisfy their requirements with reasonably good fresh eggs in quantity, turned to storage stocks to an increasing extent. Considerable encouragement was afforded by the expansion of the trade output of the four leading markets over October last year, although this encouragement was tempered moderately by the knowledge that stocks in storage were still much larger than those of a year ago.

Receipts of eggs at the four markets in September amounted to 679,561 cases, the smallest receipts for that month since records began to be compiled by this Bureau in 1917. Receipts for the first 3 weeks of October were equally low, and represented a decrease of about 16 percent under those of the corresponding period last year. Receipts from the Atlantic Seaboard States appear to be showing some increase over those of a year earlier, but in the Middle West and the Far West shipments are very much smaller.

The number of hens and pullets of laying age reported in farm flocks on October 1 was slightly larger than on October 1 last year, but production per bird and per flock was considerably less. Farm flocks on October 1 this year contained a somewhat larger proportion of pullets than a year ago. As most of these pullets were late hatched, the supply of fresh eggs will probably continue to be smaller than last year. This may continue to be true for the remainder of the year. When these pullets come fully into lay, however, this margin is expected to narrow considerably, although the very heavy production of last winter is not generally anticipated.

The market on nearby Eastern and Pacific Coast white eggs in October was particularly firm, with quotations averaging practically as high as in October last year. The better grades of Mixed Colors, however, were about 4 cents lower; the lower grades 4½ to 5 cents lower, and Refrigerator Mixed Colors, 5½ cents lower. The heavy stocks of eggs in storage this fall have supplied very sharp competi-

tion to Mixed Colored eggs, and have held quotations on both fresh and refrigerators at a point several cents lower than a year ago. On the other hand, the smaller production of fresh eggs this fall and the consequent limited supply of high quality grades, with only a reflected competition from the bulk of the large storage stocks, have made possible the realization of prices comparable to those of last year.

The storage situation has shown considerable improvement within the past two months, although it is still a matter of concern in some quarters. On October 1 a total of 7,468,000 cases were in storage, an increase of about 52 percent over the light stocks of October 1, last year, but about a 1 percent decrease under the 5-year average for October 1. The net reduction in storage stocks this year from the peak of August 1 has been considered generally satisfactory, amounting to about 22 percent by October 1, which was only slightly less than the 24 percent reduction for the same period last year when stocks were very much smaller. While this rate of reduction is very encouraging, it is widely recognized that stocks are still large and are possibly all that the market can absorb by the end of the present storage season. The rate of reduction for the remainder of the season will, quite naturally, depend to a large extent upon the success of the present program for increasing purchasing power as well as upon the extent of fresh egg productions.

The frozen-egg market held full steady with a fairly active demand reported as concerns using frozen eggs in their products seem to be increasing their output. Although frozen eggs are sold largely on contracts made early in the season, there has been more than the usual open-market trading. Prices at Eastern markets are reported steady at about 9 to 9½ cents on whites, 13 cents on mixed whites and yolks, 21 cents for sugared yolks, and 22 cents for plain yolks, storage charges paid up to November 1. The trend of consumption is considered as being fairly satisfactory, although the supplies on hand seem to be fully ample for all requirements between now and the new breaking season next spring.

The dressed poultry markets in October likewise developed the usual seasonal trends. Broiler receipts slowed down considerably, and both quality and prices were irregular. Fryers were firm at a 1-cent advance on speculative buying, while receipts were only moderately heavy for the season. Supplies of fresh dressed fowl were comparatively light but met fairly heavy competition from frozen fowl, and prices were off about 1 cent on fresh and 1 to 1½ cents on frozen. Receipts of roasters increased liberally, and quotations declined 1 to 2 cents under cautious buying.

Stocks of dressed poultry in storage on October 1 amounted to 51,156,000 pounds compared with 36,683,000 pounds on October 1 last year, and 49,077,000 pounds for the 5-year average. Stocks of broilers were approximately 50 percent heavier than a year earlier, and stocks of fowl were 175 percent heavier. On the other hand, stocks of fryers were approximately 21 percent smaller and, as a result, stimulated considerable buying of fryers for storage purposes during the last few weeks. The net increase in stocks of frozen poultry during September was 2,367,000 pounds, which was less than one half of the net increase in September last year and slightly less

than one third of the 5-year average increase for that month. So far in October the net increase in stocks has been only about half as large as for the same period last year.

Supplies of turkeys have increased moderately of late, and prices have declined 1 to 2 cents. Because of small stocks of frozen turkeys, however, most of the fresh receipts have been fairly well cleared at prices that are practically as high or slightly higher than a year earlier.

It is still a little too early to say much about the forthcoming turkey situation. From fragmentary information, however, it seems that supplies will be fairly near those of last year. Very few dealers are venturing to make any definite predictions as to price, although it is generally felt that prices will be very reasonable. Most of the turkeys now reaching the market show exceptionally good finish, indicating that the crop is pretty well advanced for this time of the season.

B. H. BENNETT,
Division of Dairy and Poultry Products.

SUMMARY OF DAIRY STATISTICS

[Millions of pounds; 000,000 omitted]

PRODUCTION

Product	September			January to September, inclusive		
	1933	1932	Percent change	1933	1932	Percent change
Creamery butter-----	139	127	-9.0	1,382	1,342	+3.0
Cheese-----	43	41	+6.6	411	383	+7.4
Condensed milk-----	18	18	-1.1	153	184	-17.2
Evaporated milk ¹ -----	126	113	+11.6	1,447	1,271	+13.9
Total milk equivalent-----	3,708	3,410	+8.8	37,135	35,640	+4.2

APPARENT CONSUMPTION

[Including production, changes in stocks, and net imports or exports]

Creamery butter-----	139	145	-3.9	1,230	1,278	-3.8
Cheese-----	41	44	-5.3	401	416	-3.7
Condensed milk-----	21	22	-4.0	144	166	-13.2
Evaporated milk-----	92	125	-26.3	1,313	1,196	+9.8
Total milk equivalent-----	3,623	3,850	-5.9	33,474	34,416	-2.7

¹ Case goods only.

PRICES OF FARM PRODUCTS

Estimates of average prices received by producers at local farm markets based on reports to the division of crop and livestock estimates of this Bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

Product	5-year average, August 1909— July 1914	October average, 1910-14	October 1932	Septem- ber 1933	Octo- ber 1933
Cotton, per pound—cents—	12.4	10.9	6.4	8.8	9.0
Corn, per bushel—do—	64.2	66.7	21.6	46.5	38.8
Wheat, per bushel—do—	88.4	87.7	34.6	71.1	63.6
Hay, per ton—dollars—	11.87	11.63	6.54	7.53	7.54
Potatoes, per bushel—cents—	69.7	64.6	34.4	100.8	74.9
Oats, per bushel—do—	39.9	38.9	13.1	32.3	27.9
Beef cattle, per 100 pounds dollars—	5.21	5.32	3.91	3.61	3.50
Hogs, per 100 pounds—do—	7.22	7.38	3.25	3.73	4.17
Eggs, per dozen—cents—	21.5	23.9	22.5	16.3	20.8
Butter, per pound—do—	25.5	26.3	20.2	21.1	21.7
Butterfat, per pound—do—	26.3	26.8	17.8	19.6	20.1
Wool, per pound—do—	17.8	17.1	9.5	23.0	23.6
Veal calves, per 100 pounds dollars—	6.75	7.03	4.75	4.96	4.84
Lambs, per 100 pounds dollars—	5.90	5.50	3.95	5.08	5.01
Horses, each—do—	142.00	138.00	57.00	69.00	69.00

COLD-STORAGE SITUATION

[Oct. 1 holdings, shows nearest millions; i.e., 000,000 omitted]

Commodity	5-year average	Year ago	Month ago	October 1933
Apples, total—barrels—	¹ 1,851	¹ 1,974	-----	¹ 1,623
Frozen and preserved fruits—pounds—	83	87	68	64
40 percent cream—40-quart cans—	-----	¹ 291	¹ 165	¹ 198
Creamery butter—pounds—	118	89	175	175
American cheese—do—	81	69	94	99
Frozen eggs—do—	92	84	102	94
Shell eggs—cases—	¹ 7,553	¹ 4,895	¹ 8,994	¹ 7,468
Total poultry—pounds—	49	37	48	50
Total beef—do—	43	26	48	51
Total pork—do—	507	498	757	629
Lard—do—	96	71	224	193
Lamb and mutton, frozen—do—	3	2	1	2
Total meats—do—	613	566	879	747

¹ 3 ciphers omitted.

PRICE INDEXES FOR JUNE 1933

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics (latter shown to nearest whole number). Shows year ago and latest available month.

FARM PRODUCTS

[Prices received by producers, August 1909-July 1914=100]

Product	Septem- ber 1932	August 1933	Septem- ber 1933	Month's trend
Cotton-----	58	71	71	Unchanged.
Corn-----	44	76	72	Lower.
Wheat-----	42	84	80	Do.
Hay-----	57	63	63	Unchanged.
Potatoes-----	55	188	145	Lower.
Beef cattle-----	83	73	69	Do.
Hogs-----	52	52	52	Unchanged.
Eggs-----	80	62	76	Higher.
Butter-----	78	80	83	Do.
Wool-----	51	126	129	Do.

COMMODITY GROUPS

[Wholesale prices, 1910-14=100]¹

Group	Septem- ber 1932	August 1933	Septem- ber 1933	Month's trend
Farm products-----	69	81	80	Lower.
Foods-----	96	100	101	Higher.
Hides and leather prod- ucts-----	112	142	143	Do.
Textile products-----	101	132	137	Do.
Fuel and lighting-----	134	124	134	Do.
Metals and metal prod- ucts-----	94	95	96	Do.
Building materials-----	128	147	150	Do.
Chemicals and drugs-----	90	90	90	Unchanged.
House-furnishing goods-----	135	142	145	Higher.
All commodities-----	95	102	103	Do.

¹ Indexes as published by the Bureau of Labor Statistics divided by the following averages for 1910-14: Farm products, 71.3; foods, 64.5; hides and leather products, 64.5; textile products, 56.3; fuel and lighting, 52.7; metals and metal products, 85.3; building materials, 55.2; chemicals and drugs, 81.2; house-furnishing goods, 54.6; and all commodities, 68.5.

GENERAL TREND OF PRICES AND WAGES

[1910-14=100]

Year and month	Wholesale prices of all com- modities ¹	Industrial wages ²	Prices paid by farmers for com- modities used in ³			Farm wages	Taxes ⁴
			Living	Produc- tion	Living- produc- tion		
1910	103	-----	98	98	98	97	-----
1911	95	-----	100	103	102	97	-----
1912	101	-----	101	98	99	101	-----
1913	102	-----	100	102	101	104	-----
1914	99	-----	102	99	100	101	100
1915	102	101	107	104	105	102	102
1916	125	114	124	124	124	112	104
1917	172	129	147	151	149	140	106
1918	192	160	177	174	175	176	118
1919	202	185	210	192	200	206	130
1920	225	222	222	174	194	239	155
1921	142	203	161	141	150	150	217
1922	141	197	156	139	146	146	232
1923	147	214	160	141	149	166	246
1924	143	218	159	143	150	166	249
1925	151	223	164	147	154	168	250
1926	146	229	162	146	153	171	253
1927	139	231	159	145	151	170	258
1928	141	232	160	148	153	169	263
1929	139	236	158	147	152	170	267
1930	126	226	148	140	144	152	266
1931	107	207	126	122	124	116	⁵ 250
1932	95	178	108	107	107	86	⁵ 215
September:							
1921	136	197	-----	-----	-----	-----	-----
1922	145	202	-----	-----	-----	-----	-----
1923	146	216	160	141	149	-----	-----
1924	142	221	159	144	151	-----	-----
1925	151	223	163	145	153	-----	-----
1926	146	231	161	147	153	-----	-----
1927	141	233	159	146	152	-----	-----
1928	144	234	162	147	153	-----	-----
1929	140	240	159	147	152	-----	-----
1930	123	227	146	142	144	-----	-----
1931	104	205	124	117	120	-----	-----
1932	95	177	106	105	106	-----	-----
1933							
January	89	164	-----	-----	102	74	-----
February	87	164	-----	-----	101	-----	-----
March	88	163	99	101	100	-----	-----
April	88	165	-----	-----	101	73	-----
May	92	169	-----	-----	102	-----	-----
June	95	172	102	104	103	-----	-----
July	101	176	-----	-----	107	78	-----
August	102	176	-----	-----	112	-----	-----
September	103	179	117	114	116	-----	-----

¹ Bureau of Labor Statistics. Index obtained by dividing the new series 1926=100, by its pre-war average, 1910-14, 68.5.² Average weekly earnings, New York State factories. June 1914=100.³ Revised. These indexes are based on retail prices paid by farmers for commodities used in living and production reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.⁴ Index of estimate of total taxes paid on all farm property, 1914=100.⁵ Preliminary.

GENERAL TREND OF PRICES AND PURCHASING POWER

[On 5-year base, August 1909-July 1914=100]

Year and month	Index numbers of farm prices						Prices paid by farmers for commodities bought ¹	Ratio of prices received to prices paid ²
	Grains	Fruits and vegetables	Cotton and cotton-seed	Meat animals	Dairy products	Poultry products		
1910-----	104	91	113	103	100	104	103	98 105
1911-----	96	106	101	87	97	91	95	102 93
1912-----	106	110	87	95	103	101	99	99 100
1913-----	92	92	97	108	100	101	100	101 99
1914-----	103	100	85	112	100	105	102	100 102
1915-----	120	83	78	104	98	103	100	105 95
1916-----	126	123	119	120	102	116	117	124 94
1917-----	217	202	187	173	125	157	176	149 118
1918-----	226	162	245	202	152	185	200	175 114
1919-----	231	189	247	206	173	206	209	200 104
1920-----	231	249	248	173	188	222	205	194 106
1921-----	112	148	101	108	148	161	116	150 77
1922-----	105	152	156	113	134	139	124	146 84
1923-----	114	136	216	106	148	145	135	149 90
1924-----	129	124	211	109	134	147	134	150 89
1925-----	156	160	177	139	137	161	147	154 95
1926-----	129	189	122	146	136	156	136	153 89
1927-----	128	155	128	139	138	141	131	151 87
1928-----	130	146	152	150	140	150	139	153 91
1929-----	121	136	145	156	140	159	138	152 91
1930-----	100	158	102	134	123	126	117	144 81
1931-----	63	98	63	93	94	96	80	124 65
1932-----	44	71	46	63	70	80	57	107 53
Oct. 1921--	94	162	150	98	146	180	120	-----
1922-----	101	101	168	113	136	159	123	-----
1923-----	113	123	221	106	153	165	134	148 91
1924-----	150	109	182	121	130	176	138	151 91
1925-----	135	152	171	141	146	175	145	153 95
1926-----	123	136	94	148	134	173	130	153 85
1927-----	128	138	169	145	139	167	139	151 92
1928-----	116	114	147	160	143	168	137	153 90
1929-----	128	168	141	151	141	181	140	152 92
1930-----	92	127	76	123	125	129	106	142 75
1931-----	46	70	42	79	95	110	68	119 57
1932-----	36	59	51	60	68	102	56	105 53
1933-----	34	59	45	51	68	96	51	102 50
January----	34	57	44	53	62	57	49	101 49
February---	36	60	48	56	59	54	50	100 50
April-----	47	66	49	57	59	56	53	101 52
May-----	62	68	65	65	63	62	62	102 61
June-----	63	74	69	66	65	55	64	103 62
July-----	94	103	84	66	71	67	76	107 71
August----	81	120	71	63	72	67	72	112 64
September--	78	101	69	62	76	77	70	116 60
October---	68	86	71	63	78	94	70	116 60

¹ These index numbers are based on retail prices paid by farmers for commodities used in living and production, reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.

² Revised.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, and sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau.

Year and month	Receipts					
	Wheat	Corn	Hogs	Cattle	Sheep	Butter
Total:	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000 pounds</i>
1920--	332,091	209,079	42,121	22,197	23,538	402,755
1921--	416,179	338,216	41,101	19,787	24,168	468,150
1922--	413,106	378,598	44,068	23,218	22,364	526,714
1923--	386,430	271,858	55,330	23,211	22,025	545,380
1924--	482,007	278,719	55,414	23,695	22,201	587,477
1925--	346,381	223,604	43,929	24,067	22,100	574,489
1926--	362,876	234,873	39,772	23,872	23,868	572,935
1927--	455,991	241,245	41,411	22,763	23,935	581,592
1928--	495,450	335,149	46,527	21,477	25,597	577,929
1929--	437,681	264,934	43,715	20,387	26,834	602,665
1930--	402,398	247,483	40,774	19,166	29,808	584,196
1931--	420,758	172,514	39,537	19,617	33,022	609,611
1932--	255,042	150,064	35,030	17,333	29,303	610,785
September:						
1920--	43,808	19,906	2,391	2,295	2,895	35,991
1921--	51,096	35,578	2,655	1,906	2,618	41,560
1922--	57,839	31,123	3,062	2,397	2,303	38,477
1923--	44,196	18,355	3,607	2,294	2,659	41,625
1924--	81,183	22,084	3,216	2,566	3,027	47,467
1925--	57,756	12,889	2,741	2,158	2,627	45,005
1926--	46,266	13,740	2,819	2,397	3,279	44,761
1927--	79,962	21,259	2,565	1,988	2,848	42,234
1928--	72,579	19,608	2,600	2,191	3,386	44,969
1929--	45,112	18,664	3,062	2,099	3,353	44,500
1930--	61,144	16,069	2,799	2,107	3,580	40,853
1931--	35,130	8,172	2,727	1,798	3,900	42,863
1932--	37,134	19,649	2,505	1,689	3,239	43,022
1933						
January---	12,313	12,602	3,381	1,324	1,914	50,828
February--	9,164	13,078	2,699	1,137	1,795	44,750
March-----	10,550	7,584	2,638	1,171	1,844	50,672
April-----	15,151	17,410	2,798	1,296	2,096	48,072
May-----	22,023	26,133	3,143	1,558	2,402	65,023
June-----	25,662	34,237	3,361	1,449	2,091	73,116
July-----	36,704	46,260	2,871	1,456	2,228	64,057
August----	25,496	11,591	¹ 3,924	1,669	2,752	63,877
September--	21,833	21,435	¹ 6,494	1,652	2,911	54,844

¹ Includes hogs purchased on Government account from Aug. 23 to Sept. 29, 1933.

THE TREND OF EXPORT MOVEMENT

Compiled from the Department of Commerce reports by the foreign agricultural service division of this Bureau.

Year and month	Wheat, ¹ including flour	Tobacco (leaf)	Bacon, ² hams, and shoulders	Lard ³	Apples (fresh)	Cotton, ⁴ running bales
Total:	1,000 bushels	1,000 pounds	1,000 pounds	1,000 pounds	1,000 bushels	1,000 bales
1920--	311, 601	467, 662	821, 922	612, 250	5, 393	6, 111
1921--	359, 021	515, 353	647, 680	868, 942	5, 809	6, 385
1922--	235, 307	430, 908	631, 452	766, 950	4, 945	6, 015
1923--	175, 190	474, 500	828, 890	1, 035, 382	8, 876	5, 224
1924--	241, 454	546, 555	637, 980	944, 095	10, 261	6, 653
1925--	138, 784	468, 471	467, 459	688, 829	10, 043	8, 362
1926--	193, 971	478, 773	351, 591	698, 961	16, 170	8, 916
1927--	228, 576	506, 252	237, 720	681, 303	15, 534	9, 199
1928--	151, 976	575, 408	248, 278	759, 722	13, 635	8, 546
1929--	154, 348	555, 347	275, 118	829, 328	16, 856	7, 418
1930--	149, 154	560, 958	216, 953	642, 486	15, 850	6, 474
1931--	125, 686	503, 531	123, 246	568, 708	17, 785	6, 849
1932--	82, 118	387, 768	84, 175	546, 184	16, 919	8, 916
September:						
1920--	35, 182	37, 261	50, 369	46, 326	140	227
1921--	39, 310	33, 009	61, 856	104, 741	68	513
1922--	32, 099	33, 102	51, 040	61, 120	394	365
1923--	22, 779	37, 646	76, 911	83, 630	747	686
1924--	39, 537	37, 245	43, 117	65, 810	762	734
1925--	13, 152	50, 677	32, 900	62, 646	1, 237	750
1926--	31, 031	38, 319	26, 929	61, 577	1, 650	789
1927--	39, 792	38, 394	23, 952	59, 736	678	620
1928--	22, 772	56, 953	13, 956	46, 158	584	810
1929--	18, 568	54, 520	19, 425	58, 339	616	726
1930--	19, 352	52, 516	11, 622	37, 417	880	903
1931--	11, 729	43, 356	7, 864	37, 790	1, 401	558
1932--	4, 226	41, 307	6, 255	44, 789	1, 084	734
1933						
January--	3, 313	26, 915	6, 666	78, 108	1, 766	794
February--	2, 175	23, 579	4, 989	57, 773	1, 422	557
March----	2, 105	35, 122	7, 062	47, 661	1, 218	488
April-----	1, 754	37, 618	8, 810	38, 741	346	436
May-----	1, 523	18, 962	7, 518	46, 038	146	592
June-----	1, 719	17, 375	11, 100	37, 941	51	615
July-----	1, 391	28, 828	10, 994	36, 200	130	692
August---	1, 721	23, 440	9, 385	35, 714	490	531
September-	1, 531	40, 881	8, 632	48, 743	435	869

¹ Wheat flour is converted on a basis of 4.7 bushels of grain equal to 1 barrel of flour.

² Includes Cumberland and Wiltshire sides.

³ Excludes neutral lard.

⁴ Excludes linters.

AGRICULTURAL LOANS OUTSTANDING¹

[Millions of dollars]

Year and month	Farm mortgage loans by—				Federal intermediate-credit bank loans—		Seed and crop production loans—			Loans of regional agricultural credit corporations
	Federal land banks	Joint-stock land banks	39 life insurance companies	Member banks	To cooperative associations	To financing agencies	Advanced current	Re-paid, current	Outstanding end of year or month	
1926	1,078	632	1,575	489	53	40	22	—	2	—
1927	1,156	667	1,606	478	32	44	—	—	2	—
1928	1,194	605	1,594	444	36	45	—	—	2	—
1929	1,197	585	1,579	388	26	50	6	5	3	—
1930	1,188	553	1,543	387	64	66	5	3	5	—
1931	1,163	530	1,503	359	45	75	54	6	53	—
1932	—	—	—	—	—	—	—	—	—	—
January	1,158	525	1,502	—	43	75	—	4	49	—
June	1,139	470	1,458	363	36	80	68	8	109	—
September	1,129	454	1,434	368	19	83	—	7	102	—
December	1,116	3409	1,402	356	10	83	—	12	90	24
1933	—	—	—	—	—	—	—	—	—	—
January	1,112	3404	1,394	—	7	81	—	2	88	42
February	1,110	3399	1,382	—	7	80	—	2	86	62
March	1,107	3395	1,368	—	6	81	13	1	98	83
April	1,105	3390	1,357	—	5	78	34	1	131	107
May	1,103	3386	1,343	—	4	78	6	1	136	128
June	1,102	3382	1,322	308	4	78	3	1	138	145
July	1,101	3378	1,311	—	4	85	1	1	138	154
August	1,104	3375	1,300	—	5	102	—	5	133	158
September	1,110	3372	—	—	6	121	—	10	123	155

¹ See April 1932 issue for sources.⁴ Licensed banks only.² Total since 1921.⁵ Subject to revision.³ Omits \$53,000,000 owed Sept. 30, 1932, to 3 banks in receivership.

SELECTED INTEREST AND DISCOUNT RATES, AND BOND YIELDS

[Percentages]

Year and month	12 Federal land banks		60 high-grade bond yields	Federal bonds	12 Federal intermediate-credit banks' discount rates	Commercial paper rates (4-6 months' average)	Federal Reserve bank (New York) discount rate
	Rates to borrowers	Bond yields					
1917	5.05	4.33	4.80	—	—	4.74	4-4½
1920	5.50	5.14	5.88	5.45	—	7.46	4¾-7
1923	5.50	4.39	4.98	4.45	5.50	5.01	4-4½
1929	5.32	4.78	4.70	3.64	5.61	5.84	4½-6
1930	5.63	4.70	4.52	3.40	4.54	3.58	2½-4½
1931	5.63	5.34	4.70	3.46	4.08	2.62	1½-3½
1932—January	5.63	5.82	5.86	4.27	5.34	3.88	3½
June	5.63	5.95	6.72	3.78	4.10	2.75	3-2½
December	5.58	5.56	5.85	3.48	3.25	1.50	2½
1933—January	5.58	5.30	5.59	3.39	3.17	1.38	2½
February	5.58	5.24	5.73	3.47	3.10	1.38	2½
March	5.58	5.69	6.25	3.58	3.10	3.00	2½-3½
April	5.58	5.85	6.38	3.55	3.10	2.63	3-3½
May	5.58	5.60	5.78	3.48	3.10	2.13	3
June	5.58	5.54	5.37	3.40	3.10	1.75	3-2½
July	5.14	5.04	5.15	3.38	3.12	1.62	2½
August	5.00	5.00	5.12	3.40	3.13	1.50	2½
September	5.00	5.09	5.27	3.40	3.13	1.38	2½

¹ Daily average. During July all 12 banks lowered rates on new mortgages to 5 percent; cost to borrowers through national farm-loan associations 4½ percent for 5-year period following July 12, 1933.

GENERAL BUSINESS INDICATORS RELATED TO AGRICULTURE

Production, consumption, and movements	Septem- ber 1932	August 1933	Septem- ber 1933	Month's trend
<i>Production</i>				
Pig iron (thousand tons)-----	593	1, 833	1, 522	Decrease.
Bituminous coal (million tons)-----	26	34	30	Decrease.
Steel ingots (thousand long tons).-----	992	2, 901	2, 311	Decrease.
<i>Consumption</i>				
Cotton, by mills (thousand bales).-----	493	589	499	Decrease.
Unfilled orders, Steel Corporation (thousand tons).-----	1, 985	1, 890	1, 776	Decrease.
Building contracts in 37 Northeastern States (million dollars).-----	128	106	123	Increase.
Hogs slaughtered (thousands)-----	1, 739	2, 962	5, 552	Increase.
Cattle slaughtered (thousands).-----	916	1, 079	1, 005	Decrease.
Sheep slaughtered (thousands).-----	1, 330	1, 291	1, 277	Decrease.
<i>Movements</i>				
Bank debits (outside New York City) (billion dollars).-----	12	12	12	Unchanged.
Carloadings (thousands)-----	2, 867	2, 503	3, 205	Increase.
Mail-order sales (million dollars).-----	39	40	43	Increase.
Employees, New York State factories (thousands).-----	286	325	344	Increase.
Average price 25 industrial stocks (dollars).-----	101. 58	135. 86	135. 45	Decrease.
Interest rate (4-6 months' paper, New York) (percent).-----	2. 13	1. 50	1. 38	Decrease.
Retail food price index (Department of Labor). ¹ -----	100	107	107	Unchanged.
Wholesale price index (Department of Labor). ¹ -----	65. 3	69. 5	70. 8	Increase.

¹ 1910-14 basis.

Data in the above table, excepting livestock slaughter and price indexes, are from the Survey of Current Business, Bureau of Foreign and Domestic Commerce, U.S. Department of Commerce.